Public Works and Government Services Canada

Travaux publics et Services gouvernementaux Canada

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For the period ending March 31, 2011

Departmental Performance Report

The Honourable Rona Ambrose

Minister of Public Works and Government Services

Receiver General for Canada

www.pwgsc-tpsgc.gc.ca

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MINISTER'S MESSAGE

I am pleased to present Public Works and Government Services Canada's (PWGSC) *2010-2011 Departmental Performance Report* for the period ending March 31, 2011.

Our department has accomplished great things this year, and I know that it is because of the hard work of each and every one of our employees.

One of the department's key successes was the way we managed the Accelerated Infrastructure Program (AIP) as part of the Government of Canada's Economic Action Plan. The Plan, announced in Budget 2009, challenged us, as a department, to accelerate plans to renovate and repair federal buildings, bridges and highways and to enhance accessibility in Crown-owned facilities. Our collective efforts resulted in the successful completion of more than 2,200 AIP projects, in addition to the thousands of projects we delivered on behalf of other government departments.

We have also advanced work on the renovation of the Parliamentary Precinct. For example, we have completed work on the Rideau committee rooms and the renovation of the La Promenade Building on Sparks Street as a space to accommodate parliamentarians and their staff who were moved from the West Block.

Another important achievement for PWGSC was the introduction of a new department-wide Client Service Strategy in spring 2010. The overarching goal of the strategy is to position PWGSC as an integrated, innovative service organization with a consistent set of service standards, practices and client service management tools. We have signed service agreements with a number of major client departments and have established standards for the delivery of our services.

I am also proud of our department's work in the area of procurement. Building on progress achieved over the past few years, PWGSC, in consultation with other departments and key stakeholders, continues to improve the efficiency of military and other major procurements. The National Shipbuilding Procurement Strategy will fundamentally revise the way the government procures ships, and represents an innovative solution to the long-standing challenges facing the shipbuilding industry in Canada. The government has conducted a fair, open, competitive and transparent procurement process. The two shipyards selected will be those that represent best value for Canada.

We have also worked to ensure that Canada's small and medium enterprises have fair and open access to government procurement opportunities. Through the government's Canadian Innovation Commercialization Program launched in September 2010, we helped small and medium enterprises to demonstrate their innovative products and services by meeting the needs identified by federal departments and agencies.

Our department is constantly striving to improve our programs and services. Over the course of the past fiscal year, we continued to execute key transformation initiatives for the department's pay and pension administration, and we have made progress in preparing for the creation of a new Centre of Expertise in Miramichi, New Brunswick.

The department has also made progress in advancing the Canadian Language Sector Enhancement Program, which is aimed at strengthening the capacity of the Canadian language sector and supporting commitments made in the *Roadmap for Canada's Linguistic Duality 2008-2013: Acting for the Future*.

In addition, under the Federal Sustainable Development Strategy, PWGSC has worked closely with other government departments on greening government operations, which involved establishing whole-of-government priorities, accountabilities and reporting requirements.

Our department also went through a Strategic Review process in which our program spending was subject to a comprehensive review to ensure that our programs and services meet the priorities of Canadians and are aligned with federal responsibilities. It gives me great pride to note that PWGSC met all requirements of the Strategic Review exercise and that, as a result, we are on track to achieve ongoing savings of 5 per cent through a series of initiatives to improve the efficiency and economy of our operations.

This has truly been a productive year for the department. I welcome the opportunity to work with such dedicated employees, as we continue to build on the accomplishments described in this report.

The Honourable Rona Ambrose

Raison d'être

Public Works and Government Services Canada (PWGSC) plays an important role in the daily operations of the Government of Canada. We are its principal banker, accountant, central purchasing agent, linguistic authority, real property manager and enabler of access to government services online.

Our vision is to excel in government operations, and our mission is to deliver high-quality services and programs that meet the needs of federal organizations and ensure sound stewardship on behalf of Canadians.

Responsibilities

The Department, founded in 1841, was instrumental in the building of our nation's canals, roads and bridges, the Houses of Parliament, post offices and federal buildings across the country.

Today, we have evolved into a sophisticated operational arm of government that employs more than 14,000 staff working in the National Capital Area and five regional offices in Halifax, Montreal, Toronto, Edmonton and Vancouver.

The *Department of Public Works and Government Services Act*, passed in 1996, established the Department and set out the legal authorities for PWGSC's services. The Act established PWGSC as a common service organization providing government departments, boards and agencies with support services for their programs, including:

- procurement;
- office accommodation and facilities;
- architectural and engineering services;
- construction, maintenance and repair of public works and federal real property; and
- linguistic, information technology, telecommunications, industrial security, consulting and auditing services.

The Minister of PWGSC is the Receiver General for Canada and has the authority for the administration of services related to benefits, superannuation, pension plans, and the disbursement of pay to federal employees. The Minister is also responsible for maintaining the Public Accounts of Canada.

Our goal is to manage our business on behalf of Canadians in a way that strengthens accountability and adds value for our clients. In doing so, PWGSC:

- injects more than **$14 billion** annually into the Canadian economy through government procurement;
- issues more than **14.2 million** federal pay and pension payments to Canadians;
- provides accommodation to parliamentarians and more than **265,000** public servants in **1,855** locations across Canada;
- provides translation and interpretation services for more than **2,000** parliamentary sittings and committee meetings annually, and translates **1.7 million** pages of text on behalf of other federal organizations; and
- handles more than **$2.18 trillion** in cash flow transactions as the Receiver General for Canada.

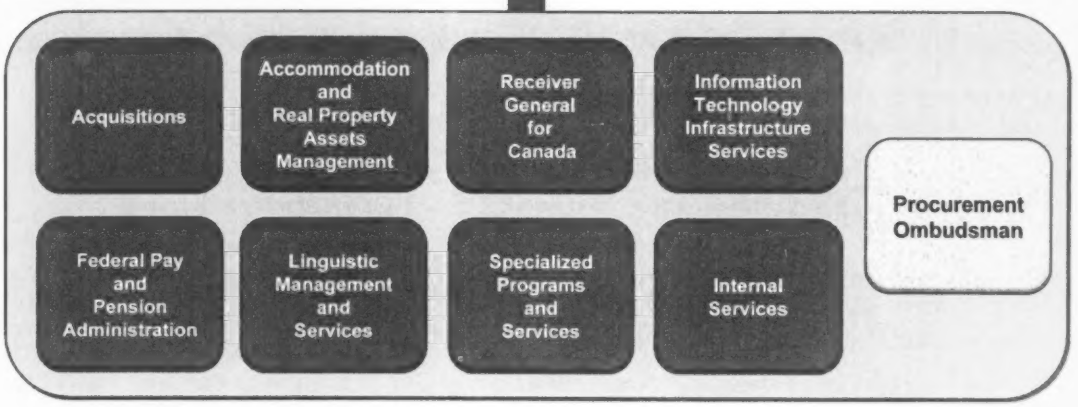
Strategic Outcome(s) and Program Activity Architecture (PAA)

PWGSC's Program Activity Architecture (PAA), as approved by the Treasury Board Secretariat, supports our strategic outcome which is high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions. The following table lists the nine program activities that comprise PWGSC's PAA.

Strategic Outcome

High quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions

Program Activities



Note: Although it is a program activity of Public Works and Government Services, the Office of the Procurement Ombudsman is required to operate in an impartial and independent manner. The details of its operations and performance results are provided in the Procurement Ombudsman's annual report, which is tabled in each House of Parliament following the fiscal year by the Minister of Public Works and Government Services in accordance with legislative requirements.

PWGSC and Canada's Economic Action Plan

In 2010-2011, PWGSC continued to play an important role in delivering *Canada's Economic Action Plan*. The department invested close to $193 million in its buildings and bridges and advanced work on the restoration of the Manège Militaire in Quebec City and federal contaminated sites. In fact, over the two year-period of the Economic Action Plan, the department accelerated repairs and renovation of 300 buildings, made 194 buildings more accessible to Canadians, rehabilitated 4 bridges and improved the condition of the Alaska Highway.

The Department also provided over $550 million of real property services to other government departments and agencies and helped them advance their *Economic Action Plan* infrastructure projects.

PWGSC also supported other activities of other government departments and agencies. The Department offered its translation services, put contracts in place rapidly, supported improvements to federal laboratories, managed renovations to government facilities and cleaned up toxic sites.

PWGSC EAP Performance: 2009-2010		
Financial Measure	**Target**	**Actuals**
% of $237 million budget spent	95%	95.9% (1,623 projects initiated; 1,334 completed)

PWGSC EAP Performance: 2010-2011		
Financial Measure	**Target**	**Actuals**
% of $198 million budget spent	95%	95.7% of projects undertaken were completed

Organizational Priorities

Priority: Accelerated Infrastructure Program (AIP)	**Type:** Ongoing	**Strategic Outcome(s) and/or Program Activity(ies):** Accommodation and Real Property Assets Management, Acquisitions, Linguistic Management Services

Status: Exceeded

PWGSC continued to successfully manage the Accelerated Infrastructure Program (AIP) and the broader Government of Canada Economic Action Plan (EAP). PWGSC supported other government departments' Economic Action Plans by providing common services, particularly in the areas of procurement, real property and translation. PWGSC provided procurement expertise and responsive services to support the activities of departments that received infrastructure funding.

Under the Economic Action Plan (EAP), the department exceeded its targets by investing over $420 million in more than 350 buildings, 4 bridges, 56 contaminated sites, the Alaska Highway, and the Manège militaire. With these investments, the department achieved a more modern and greener infrastructure and made its buildings more accessible to Canadians with disabilities. Through its Accelerated Infrastructure Program, PWGSC supported the Government's economic stimulus objective to ease the effects of global recession on Canadians.

As well, PWGSC provided services to support other government departments' EAP projects in federal laboratories, contaminated sites, and government facilities. Over the EAP two year period, over $508 million in infrastructure projects was invested through the Real Property Program, in addition to its regular programs of work.

Priority: Military and Major Procurement	**Type:** Ongoing	**Strategic Outcome(s) and/or Program Activity(ies):** Acquisitions

Status: Met all

PWGSC, in collaboration with other departments and stakeholders, continued its work in streamlining and improving the efficiency of military and other major procurements. In this regard, the department has succeeded in engaging industry in all major military procurement processes and has shared information and documents at the outset of projects. PWGSC held discussions with the Canadian Association of Defence and Security Industries (CADSI) to determine ways of improving defence procurement; and, conducted Industry Days to seek feedback on proposed approaches and to provide an opportunity for industry to ask questions.

PWGSC's actions have assisted the Government in leveraging Canada's military buying power and enabled companies to make informed business decisions on whether or not to bid on expected projects while ensuring that the procurement process yielded qualified suppliers.

National Shipbuilding Procurement Strategy (NSPS)

The government's new long-term National Shipbuilding Procurement Strategy (NSPS), announced in June 2010, represents an innovative and unique procurement strategy built on Government engagement with the supplier community. Under the Strategy, the Government of Canada will establish a strategic relationship with two Canadian shipyards, designating them as sources of supply to build large ships for the Canadian Navy and the Canadian Coast Guard – estimated at 28 ships over 30 years, valued at $33 billion.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Procurement Renewal	Ongoing	Acquisitions

Status: Met all

PWGSC is transforming its approach to managing procurement for the Government of Canada. It has continued to modernize, innovate and streamline its procurement function, in consultation with key stakeholders, including small and medium enterprises.

The department has developed and implemented new processes for basic and standard procurements to ensure faster and more efficient procurement processes and continued to provide support to client departments, maximizing their delegated authorities when purchasing low dollar value goods and services provided through Standing Offers and Supply Arrangements. PWGSC has also implemented a Commodity Management Strategy aimed at providing more consistent methods of supply by establishing similar procurement processes coast-to-coast, on a commodity basis.

PWGSC continued to maximize the benefits of information technologies to make procurement more efficient, effective and responsive for federal government clients, businesses and procurement professionals. The Buy and Sell Web site was launched, offering a user-friendly procurement site where government buyers and industry suppliers find information about doing business with the Government of Canada. A Web based Spend Management tool was also launched, helping client departments reduce costs and improve value for money.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Real Property Modernization	Ongoing	Accommodation and Real Property Assets Management

Status: Met all

PWGSC continued to modernize its real property business by employing best-in-class management practices in all areas of its business. PWGSC developed investment strategies to enhance its portfolio management; it also made advances in client relationship management by employing a pro-active client engagement model, which involves regular meetings with clients to discuss strategic priorities, issues and overall program delivery. PWGSC explored mechanisms to improve its service delivery capacity through third party delivery arrangements and developed investment tools, which continue to be refined. The department also improved employee relationships through a continued engagement initiative, drafting tools in response to round table discussions with employees and extending engagement activities for new employees to existing employees. Vesting of these tools into the Real Property Policy Framework will be finalized in the 2011-2012 fiscal year.

The department completed a competitive Request for Proposal (RFP) for the acquisition of industry standard real estate processes supported by a fully integrated real estate solution, known as the Real Property Business and Systems Transformation (RPBST) project. This integrated solution, which will replace 22 legacy systems, will reduce operational costs, improve business reporting, and result in better decision-making.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Greening of Government	Ongoing	Specialized Programs and Services

Status: Met all

PWGSC worked closely with other government departments on Theme IV (Greening Government Operations) of the Federal Sustainable Development Strategy which involved establishing government-wide priorities, accountabilities, timelines and reporting requirements. The department also developed and implemented a Federal Electronic Waste Strategy to support the government's environmental agenda. We have completed or are on track to complete 89% (16 of 18) of departmental 2010-2011 Sustainable Development commitments.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Parliamentary Precinct Project (Long-Term Vision and Plan)	Ongoing	Accommodation and Real Property Assets Management

Status: Met all

PWGSC continued to develop and implement its Long-Term Vision and Plan (LTVP) projects, including the Wellington and Bank of Montreal Buildings. Key projects completed in 2010-2011 included: the Rideau Committee Rooms (funded through the Accelerated Infrastructure Program) and the renovation of La Promenade on Sparks Street to accommodate Parliamentarians and their staff who were moved from the West Block so that PWGSC could begin its rehabilitation of the entire West Block.

As well, PWGSC continued to work with stakeholders to strengthen the governance structure that oversees the implementation of the LTVP and the management of the Parliamentary Precinct.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Information Technology Shared Services	Ongoing	Information Technology Infrastructure Services

Status: Met all

Major project achievements included: attaining a significant milestone on the Cyber Authentication Renewal project; roll-out of MyKey internal authentication self-service to 90% of user departments; significant progress on cyber security strategy in partnership with key members of the Government of Canada cyber security community; completion of the comprehensive Data Centre Feasibility Study; contract award for Data Centre Co-Location with partners; and, collaboration with partners on the transformational Government Enterprise Network Services project.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Transformation of Pension Administration	Ongoing	Federal Pay and Pension Administration

Status: Met all

In 2010-2011, PWGSC completed development and testing for the new core pension system components for contributors (employees), implemented in April 2011. As well, PWGSC completed all preparations for the centralization of the next three services: Pension Benefit Entitlements, Survivor Pension Entitlements and Employer Support Services.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Transformation of Pay Administration	Ongoing	Federal Pay and Pension Administration

Status: Met all

PWGSC has started the definition phase of the Pay Modernization Project and completed key components of the procurement process including the Request for Information and Request for Proposal and evaluation. The department has also completed the definition phase of the Consolidation of Pay Services Project, including initiating staffing processes, and completed a procurement process to acquire interim office space and the development of the service delivery model.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Translation Renewal	Ongoing	Linguistic Management and Services

Status: Met all

To renew its workforce, PWGSC's Translation Bureau offered internships to university students in the language and administrative fields, carried out post-secondary recruitment activities and operated its in-house learning program. In an effort to strengthen its capacity to meet growing demand for translation and interpretation services, the Translation Bureau also continued to incorporate language technologies into its business processes in order to boost productivity and streamline operating costs.

Moreover, the Translation Bureau continued to build capacity in Canada's language sector and train a skilled workforce through the Canadian Language Sector Enhancement Program, one of Public Works and Government Services Canada's initiatives under the *Roadmap for Canada's Linguistic Duality 2008-2013*.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Industrial Security Program	Ongoing	Specialized Programs and Services

Status: Met all

The Industrial Security Program supported PWGSC's Accelerated Infrastructure Program (AIP). Since its implementation in 2008, officials have registered over 600 companies.

This program ensured that controlled goods were protected against unauthorized possession, examination or transfer when in custody of the private sector; and achieved a 37% increase in Controlled Goods Inspections.

The Industrial Security Program continued to keep stakeholders informed and engaged on transformation issues via multiple fora. Officials delivered over 70 information sessions to multiple stakeholders since April 2010.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Workforce for the Future	Ongoing	Internal Services

Status: Met all

PWGSC advanced its human resources (HR) agenda to support effective people management and Public Service Renewal. Our HR infrastructure is being modernized through the implementation of common HR business processes; increased use of Web 2.0 tools; implementation of our new, streamlined People Management Policy Suite and other key initiatives. In addition, the number of indeterminate staff inflows to PWGSC exceeded our outflows for the fifth consecutive year, showing our ability to recruit and retain employees. In terms of employee development, 97.1% of the PWGSC employees had a personal learning plan in 2010.

The Department slowed down its recruitment in anticipation of Strategic Review implementation in order to reduce the human resources impact and build flexibility to place affected employees rapidly. This contributed to variances in planned versus actual Full Time Equivalents (FTEs) for certain PWGSC Programs.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Getting the Fundamentals Right	Ongoing	Internal Services

Status: Met all

PWGSC's financial management continues to be strengthened to support the DM as Accounting Officer. In 2010-2011, robust financial management was achieved via the following four key priorities: 1) Strengthened financial information reporting; 2) Strengthened internal controls; 3) Progress on Integrated Investment Planning; and 4) Strengthened Cost-Recovery Framework.

Budget management and Financial Information reporting:
PWGSC's financial management governance has been designed to better support oversight and reporting/monitoring of actual expenditures versus forecast/budget. During fiscal year 2010-2011 PWGSC implemented a more rigorous and formal Departmental Management Report (DMR) process. Each month the data presented in the Branch and Regional DMR must include a signed attestation by the Branch Assistant Deputy Minister (ADM) or Regional Director General (RDG). The attestation confirms the accuracy of the figures which have been effectively analyzed and approved by all levels of management. The DMR is then presented and approved by the Deputy Minister and the Deputy Minister Management Committee (DMMC) on a monthly basis. The DMR report includes; budgets, actual, forecasts, commitments, variance explanations, risk management items and sound financial analysis, advice and recommendations for senior management consideration. The improvements led to optimal financial management results.

PWGSC has also made improvements to its budgeting process with refinements to the way information is presented to Senior Management and has implemented a Three-Year Strategic Financial Plan. These enhancements ensure that allocation decisions are better informed, and clearly support the Department's operational priorities.

Internal controls:
PWGSC continues to be within the 2014-2015 target of fully implementing and sustaining a system of internal control over financial reporting (ICFR). Significant advancements were made in the design effectiveness for the majority of processes and key controls in 2010-2011.

Integrated Investment Planning:
The Department has completed 95% of its Integrated Investment Plan (IIP) in accordance with TB Policy on Investment Planning – Asset and Acquired Services. The Deputy Minister Management Committee approved the creation of an Investment Management Board (IMB) as part of the governance for IIP. PWGSC also secured a level 3 Organizational Project Management Capacity (OPMCA) and streamlined the approach regarding the Project Complexity and Risk Assessments (PCRA).

Cost Recovery Framework:
PWGSC obtained Treasury Board's approval of its cost recovery framework in June 2010 which has been recognized as a Government of Canada best practice. PWGSC Finance Branch also received a prestigious award for its innovation in cost recovery.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Risk Management	Ongoing	Internal Services

Status: Met all

The PWGSC Integrated Risk Management (IRM) Policy was approved on November 22, 2010. During fiscal year 2010-2011, PWGSC developed management tools and mechanisms to support departmental programs and priorities—including the AIP—to identify, monitor, report and manage risks. Work is continuing on the development of a proactive approach which will place quality management at the forefront of risk management and use a "control risk assessment" methodology. The Corporate Risk Profile was updated by identifying and assessing key corporate-level internal risks and by developing risk response strategies.

Priority:	Type:	Strategic Outcome(s) and/or Program Activity(ies):
Client Service Improvement Initiative	New	Internal Services

Status: Met all

In spring 2010, PWGSC introduced a new department-wide Client Service Strategy to enable a consistent, more disciplined approach to client service, focused in its first phase on improving relations with client departments.

In 2010-2011, the department implemented core components of its Client Service Strategy. These include:

1) Signing 4 DM-level Departmental Service Agreements with client departments;
2) Publishing the first annual consolidated guide to main services and associated standards;
3) Launching several innovative services and a new departmental branding;
4) Introducing a framework to promote greater integration between business lines for client engagement;
5) Piloting a Client Barometer to measure and monitor client satisfaction;
6) Launching a Client Service Award, initiating work on the development of a client service competency and piloting client service courses.

PWGSC's nine program activities contribute to our strategic outcome. The results for this indicator were calculated based on the achievement of expected results for each Program Activity. Further details on how each Program Activity met its expected results is contained in Section 2 of this report.

Risk Analysis

Risk management is an essential aspect of our business. Risk management principles and practices are incorporated into all aspects of the Department's business planning, decision-making and organizational processes.

The PWGSC Integrated Risk Management (IRM) Policy was approved on November 22, 2010. Consistent with the PWGSC IRM Policy responsibilities and accountabilities, during 2010-2011, we established several risk based tools to manage, monitor and communicate risks; identified the Department's risk appetite and tolerance; and defined major horizontal risks and opportunities in both the Corporate and Operational Risk Profiles.

Furthermore, risks were identified, assessed, managed and monitored through specific program/project risk assessments (Real Property Branch Alternate Forms of Delivery (AFD) Risk Assessments 2010-2011, Haiti Mission Risk Assessment 2010, G8/G20 Risk Assessment). We are also using the Corporate Risk Profile (CRP) to inform decision-making with respect to key program/project funding documents and to serve an integral role in PWGSC corporate planning activity.

In addition to the CRP, the Operational Risk Profile (ORP) was created in response to the Deputy Minister's request to have key operational risks highlighted and addressed. Finally, PWGSC addressed recommendations made by the Office of the Auditor General regarding conflict of interest and aging Information and Technology (IT) through the development and implementation of the Conflict of Interest and IT Risk Profiles.

We have developed and implemented standardized risk assessment tools such as those established for the Accelerated Infrastructure Program, the Treasury Board submissions, Memorandum to Cabinet, and the Integrated Investment Plan. A complexity and risk assessment tool was developed and is being piloted in order to manage contract risk.

We engaged staff at all levels of the organization to improve organization-wide risk management practices and to foster a risk-smart culture. We raised awareness about risk management through regular communications, the Assistant Deputy Minister blog, training and various risk fora. We have also shared these best practices with other government departments and agencies.

Summary of Performance

2010-2011 Financial Resources

Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	6,423.9	7,343.7	7,004.1
Less Respendable Revenue	(3,545.6)	(4,022.1)	(3,923.5)
Net Expenditures	2,878.3	3,321.6	3,080.6

Totals may not add up due to rounding

Note: Respendable revenues are authorities from Parliament allowing departments to use certain revenues to finance related expenditures.

2010-2011 Human Resources (FTEs)

Planned	Actual	Difference
14,539	14,264.5	(274.5)

In our 2010-2011 report on Plans and Priorities, PWGSC set out 15 key organizational priorities for the year, which are essential to contribute to our strategic outcome and to fulfill expected results. The organizational priorities were identified as: delivering PWGSC Accelerated Infrastructure Program; improving the efficiency of military and major procurements; modernizing and streamlining our procurement processes; modernizing our real property business to provide improved services to clients and provide better value for money for taxpayers; improving environmental performance to support the government's environmental agenda; protecting the architectural integrity of the buildings in the Parliamentary Precinct; delivering a consistent set of government-wide information technology infrastructure products and services; replacing outdated systems infrastructure and centralize the delivery of pension services; transforming pay administration by increasing flexibility and web self-service for managers and employees; developing capacity to meet growing demand for translation and interpretation services; and safeguarding sensitive information and assets through the Industrial Security Program. Further, PWGSC identified four management priorities to supporting effective people management and good HR practices; strengthening its management fundamentals and enhancing the integrity and transparency of the department's decision-making; updating the Corporate Risk Profile to identify and assess key corporate-level internal risks and aid in developing risk response strategies; and introducing a Client Service Improvement Initiative to implement sound service management practices.

During the reporting period, PWGSC made important progress in delivering on all these operational and management priorities, while focusing on reviewing departmental spending to ensure that all programs and services are aligned with the department's core mandate and responsibilities. PWGSC continued to deliver Canada's Economic Action Plan. The department made significant efforts in meeting its commitments for high quality central programs and services – 20 out of 23 expected results were met or exceeded their intended targets.

Departmental performance against its targets is explained in greater detail, both by strategic outcome at the program activity level, in Section II of this report.

Strategic Outcome: Achieve high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

Performance Indicators	Targets	2010-2011 Performance
Percentage of programs and services that meet their expected results, including service levels and published standards.	95%	Results: 86.95%. The Strategic Outcome result of 86.95% is derived from an average of the 20 out of 23 Expected results that met or exceeded their intended targets. Only performance information where data was available during the time of reporting was included in the calculation.

Program Activity (in millions of dollars)	2009-2010 Actual Spending	2010-2011 Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcome
Acquisitions	135.7	118.3	119.2	147.3	144.3	
Accommodation and Real Property Assets Management	1,875.5	2,031.2	2,063.5	2,399.6	2,216.6	
Receiver General for Canada	113.9	129.2	129.2	126.0	119.9	
Information Technology Infrastructure Services	6.6	10.1	10.1	37.5	33.7	Well-managed and efficient government operations.
Federal Pay and Pension Administration	43.6	44.4	44.4	51.8	46.9	
Linguistic Management and Services	65.5	72.5	72.5	81.1	74.3	
Specialized Programs and Services	99.9	93.1	94.8	115.7	104.2	
Procurement Ombudsman	4.0	4.3	4.3	4.5	3.6	A transparent, accountable and responsive federal government.
TOTAL	**2,344.7**	**2,503.0**	**2,538.0**	**2,963.5**	**2,743.6**	

Totals may not add up due to rounding

Program Activity	2009-2010 Actual Spending	2010-2011 Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	322.5	340.3	340.3	358.1	337.0

Totals may not add up due to rounding

Expenditure Profile

Main Estimates fluctuations are the result of the combined effect of new and expired funding for departmental initiatives. The budget increase in 2009-2010 is due to an increased focus on the rehabilitation of the department's aging engineering assets. The additional budget increase in 2010-2011 is explained by the infusion of funding for the Accelerated Infrastructure Program (AIP), business volume increases, inflationary pressures and market conditions.

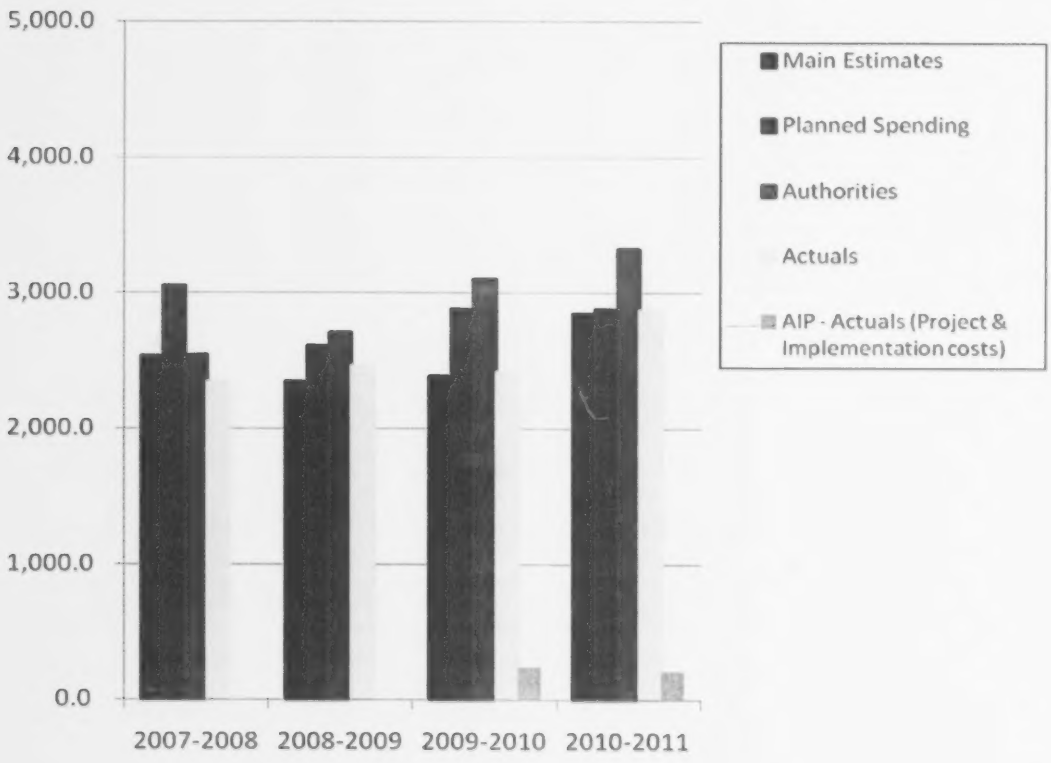
As part of Federal Budget 2009, and in support of Canada's Economic Action Plan, PWGSC's AIP received investment funding of $435.5 million over the two year period of 2009-2010 to 2010-2011. This amount excludes additional funding of $52.5 million to support administrative and management activities associated with the delivery of PWGSC's and other Government Departments' Economic Action Plan (EAP) initiatives. Of the $435.5 million total AIP budget, $198.1 million of funding was allocated to PWGSC's AIP projects in 2010-2011, along with $29.7 million for implementation costs. Actual AIP expenditure amounted to $192.9 million in 2010-2011, with a further $19.6 million spent on implementation costs. AIP expenditures accounted for 6.9% of net departmental expenditures in 2010-2011.

The column labelled "Planned Spending" represents Main Estimates, funds earmarked in the fiscal framework for PWGSC initiatives approved after Main Estimates were tabled in Parliament, and related Federal Budget announcements. Planned Spending results in "Total Authorities" once Treasury Board submissions and other transfers are approved.

The principal reason for the annual variance of $241.0 million between Total Authorities and Actual Spending is related to project implementation delays and operational adjustments caused by uncontrollable and unpredictable factors, such as market fluctuations, delays in the tendering process, changes in the project plans and specifications and internal capacity issues. All of the aforementioned factors impact the delivery of repair and fit up projects for Real Property accommodation and capital projects, and result in funding being reallocated to future years.

As a result of the economic crisis of 2008, the department has continued to implement internal restraint measures which generate operational efficiencies and savings. These savings are reallocated to departmental operational and project priorities, enabling PWGSC to continue to operate effectively in a period of fiscal restraint.

PWGSC Spending Trend



Estimates by Vote

For information on our organizational votes and/or statutory expenditures, please see the 2010-2011 Public Accounts of Canada (Volume II) publication. An electronic version of the Public Accounts is available at http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html.

Please be advised that the presentation of PWGSC's total authorities for Public Accounts of Canada purposes includes PWGSC's Revolving Funds' drawdown authorities (equivalent to line of credits) as well as related accumulated surpluses, while the Departmental Performance Report's total authorities reflect the Revolving Funds' net results only for the fiscal year in question.

Strategic Outcome

PWGSC's strategic outcome is to achieve high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

Program Activities

The following section describes PWGSC's nine program activities and the expected results, performance indicators and targets for each program activity. It also includes an overview of the financial and human resources, planning highlights, and benefits to Canadians of each program activity. Additional information is available on our departmental website at www.pwgsc-tpsgc.gc.ca.

1. Acquisitions

This program activity shows PWGSC as the government's primary procurement service provider offering federal organizations a broad base of procurement solutions such as: specialized contracts, standing offers and supply arrangements. The role of PWGSC in this area is to provide timely, value-added acquisitions and related common services to the federal government on behalf of Canadians.

2010-2011 Spending — Acquisitions			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	269.7	288.9	285.0
Less Respendable Revenue	(150.5)	(141.5)	(140.7)
Net Expenditures	119.2	147.3	144.3

Note: Actual net expenditures were lower than total authorities for the Operating Budget mainly due to lower than planned expenditures under the Canadian Innovation Commercialization Program.

Actual net expenditures were lower than total authorities for the Optional Services Revolving Fund included above due in part to higher than anticipated refunds of airline commissions in the Traffic Management Program. The variance is also due to receipts from provincial governments for outstanding accounts receivable, a lower than expected business volume and refund of costs from a supplier for the Vaccine Program.

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	2,116	1,812	(304)

Note: The difference between planned and actual FTEs is due to a previous double-counting of FTEs under two program activities (Acquisitions and Specialized Programs and Services). This situation has been corrected in the 2011-2012 RPP since FTEs all fall under the Acquisitions Program Activity.

Expected Results	Performance Indicators	Targets	Performance Summary
Federal organizations receive responsive and cost-effective access to goods and services that meet specifications, are timely, and provide value for money to support the delivery of their programs.	Percentage of federal organizations satisfied with timeliness, quality and value of acquisition services provided.	85% or 10% above baseline by March 31, 2011	**Status: Exceeded** A 49% improvement relative to the baseline result as measured in 2009. This represents 76% of clients satisfied or very satisfied with overall level of procurement services received from PWGSC.
Prudent use of federal resources, effective and efficient acquisition practices, and fair access to government business.	Number of individuals and small and medium enterprise representatives directly assisted by Office of Small and Medium Enterprises.	16,000 by March 31, 2011	**Status: Exceeded** 41,143 individuals and small and medium enterprise representatives directly assisted by the Office of Small and Medium Enterprise.

Expected Results	Performance Indicators	Targets	Performance Summary
Federal organizations are provided with a broad base of procurement solutions including contracts, standing offers, supply arrangements and procurement tools that are timely and provide value for money to support the delivery of their programs.	Percentage increase in use of standing offer and supply arrangements by federal organizations.	5% by March 31, 2011	**Status: Exceeded** $1.722B in reported usage of PWGSC procurement instruments in calendar year 2010 by federal organizations. This represents a 9.7% increase over the 2008 baseline result of $1.57B. **Note:** *reported value is based on data provided by 76 federal organizations and does not fully represent the total value of business managed through PWGSC procurement instruments during calendar year 2010.*

Performance Summary and Analysis of Program Activity

Major Achievements

Accelerated Infrastructure Program (AIP)

PWGSC continued to offer critical contracting support services to the Accelerated Infrastructure Program, an important component of Canada's Economic Action Plan. In 2010-2011, over 230 procurement instruments were issued with a value of contracts of over $301M. For real property related EAP procurement instruments issued during the fiscal year, 83% of files valued at over $250K and up to $1M were issued within 70 days. This exceeded the 75% target that was established.

As quoted in the OAG's report on Canada's Economic Action Plan, Public Works and Government Services Canada accelerated its existing plans for repair and renovation of federal buildings.

Military and Major Procurement

Military procurement has doubled in Canada over the past ten years. This coupled with urgencies associated with the Canadian Forces requirements in Afghanistan created pressures to ensure greater efficiencies in procurement, safeguard the integrity of the process, obtain best value, and meet pressing needs quickly.

Despite these pressures, PWGSC continued to lead the government's efforts to improve military procurement efficiencies by developing and implementing procurement strategies for military and major procurement in collaboration with the Department of National Defence (DND), Industry Canada (IC) and the Treasury Board Secretariat (TBS).

Specific examples of improvements:

- PWGSC worked actively with DND and IC to implement procurement strategies that would improve defence procurement. Following receipt of the report produced by the Canadian Association of Defence and Security Industries (CADSI), all three federal organizations worked with CADSI representatives to determine potential ways of improving defence procurement. In preparation for the 2011 Budget, high-level opportunities to leverage military procurement were developed using the CADSI's report. As a result, Budget 2011 included a commitment to the development, in consultation with industry, of a procurement strategy for military acquisitions in order to maximize job creation and support Canadian manufacturing capabilities and innovation.
- PWGSC informed and engaged industry sooner to seek feedback and advice on improving military equipment procurement by holding Industry Days and by providing the Industry with draft Statements of Interest and Qualifications (SOIQ's) and Requests for Proposals (RFP) to seek their comments.
- Since 2006, the average cycle time for major military procurements, from identification of Client's requirements to contract award, has been reduced from 107 months to 48 months.

National Shipbuilding Procurement Strategy (NSPS)

Through the National Shipbuilding Procurement Strategy, announced in June 2010, PWGSC engaged and worked with the Canadian Navy, the Canadian Coast Guard and marine and shipbuilding industry

stakeholders to fulfill the commitments made in the Canada First Defence Strategy. We have also enabled sustainable development of a robust domestic shipbuilding industry through a long-term approach to federal procurement.

In 2010, work commenced towards the establishment of a strategic relationship with two Canadian shipyards to build 28 large combat and non-combat vessels, valued at $33B. Through a Solicitation of Interest and Qualification process, five Canadian shipyards have been short-listed to build these large vessels. A Request for Proposal was developed in close consultation with these shipyards and released in February 2011.

To ensure fairness, openness and transparency of the procurement process, the NSPS Secretariat met five times since October 2010 with the short-listed shipyards to discuss the procurement strategy. A Fairness Monitor participated in the selection process and an internationally recognized third-party expert benchmarked the capability and performance of the short-listed Canadian shipyards. Finally, a leading consulting firm provided expert advice on the procurement process.

Small and Medium Enterprises and Procurement Renewal

With respect to the supplier community, PWGSC recognizes that Canada's 2.3 million small and medium enterprises (SMEs) are critical to the economy and it is committed to ensuring that SMEs have fair and open access to government procurement opportunities.

- In September 2010, the Government launched the Canadian Innovation Commercialization Program (CICP), a $40 million 2-year pilot project to help Canadian businesses demonstrate their innovative products and services by meeting needs identified by federal departments and agencies. Proposals related to the opportunity to test innovative products and services were accepted through competitive Calls for Proposals in the fall 2010. Nineteen innovation proposals from Canadian companies were pre-qualified for the first round of the CICP to be matched to federal department testers.
- PWGSC's Office of Small and Medium Enterprises (OSME) assisted SMEs in navigating through the government procurement system. OSME is strengthening access to government business for SMEs through collaboration with industry associations and individual businesses on training, information sharing, development of support tools, and by recommending procurement policy changes.
- In 2010-2011, OSME assisted over 41,000 individuals and suppliers, exceeding its target of 16,000. Excluding military procurement, 43% of PWGSC's total value of contractual documents (such as contracts, Standing Offers, Supply Arrangements and amendments) was awarded to SMEs located in Canada.
- OSME fulfilled PWGSC's commitment to the Standing Committee on Government Operations and Estimates by integrating a Small and Medium Enterprise ADM Level Committee within the existing ADM Advisory Committee on Procurement Modernization. In doing so, SME issues are now a central part of the discourse at this federal government forum on procurement and many federal departments are being engaged on SME issues related to procurement.
- OSME also improved the ability of Canadian suppliers that do business with the federal government, by raising awareness of the requirements of the Official Languages Act to ensure that suppliers receive bidding documents in the official language of their choice.

In 2010-2011, further elements of PWGSC's Procurement Renewal Agenda were put in place.

- PWGSC continued decentralizing routine procurement to clients, including Low Dollar Value (LDV) transactions nationally. We reduced LDV transactions by 26% (reduction of 2,983 transactions for original documents and amendments) as compared to the 2008-2009 baseline, allowing PWGSC to move-up the value-chain and focus our expertise on more complex procurements. The reduction in LDV transactions was achieved by encouraging departments to better exercise their delegated authorities and the use of our pre-competed self-serve instruments.

- In fall 2010, the mapping and streamlining of processes for basic and standard procurements were completed. A pilot for these new processes was successfully launched in December 2010 with full implementation to follow once the pilot is concluded.
- PWGSC also put in place the new delegation instruments for the Minister of Public Safety and the Minister of National Defence for the civilian agencies under its portfolio.
- In 2010, client relations and engagement continued to be improved via a number of vehicles such as the Client Advisory Panel, client engagement plans, and the Client Service Barometer. In addition, Departmental Service Agreements were signed or negotiated with 4 federal entities and a first set of procurement-specific service standards was developed and implemented.
- PWGSC continued improving and standardizing a variety of e-tools to support government procurement and commodity-level purchasing. Examples include: the development of the GC-wide Common Business Registration number for suppliers; the Standing Offer Index; the Computer Acquisition Guide and the Task-based Informatics Professional Services.
- PWGSC successfully launched "Buyandsell.gc.ca" which is a big step forward in helping smaller firms get an opportunity at government procurement. Servicing on average over 20,000 visitors per month, this web site has helped lower barriers for small and medium enterprises and won praise from the business community.

Commodity Management

PWGSC implemented year one of a three-year Commodity Management Plan aimed at providing more consistent methods of supply by putting into effect similar procurement processes coast-to-coast, on a commodity basis. During the reporting period, 14 commodities were reviewed. PWGSC has fully integrated small and medium enterprise input, market studies, procurement analysis and green procurement plans into the Commodity Management Framework. Innovative supplier consultations were introduced using "fluid" technology, resulting in over 1,000 suppliers being consulted and information integrated into new commodity management strategies.

Lessons Learned

Engagement of industry and other government departments is key to ensuring that procurement tools and instruments put in place by PWGSC meet their needs, while providing best value to the Crown. Our work in the area of military procurement has demonstrated that early engagement in defining requirements is particularly critical for large, complex procurements. It enables longer-term planning, risk assessment and mitigation strategies resulting in a more efficient procurement process.

Engagement activities, such as embedding industry engagement in all major military procurement processes, sharing of information at the outset of projects and conducting Industry Days, have been key to identifying and addressing issues of importance to industry and to our clients, and in gaining their support for initiatives such as the National Shipbuilding Procurement Strategy.

2. Accommodation and Real Property Assets Management

Through this program activity PWGSC provides departments and agencies with office and common use accommodation and acts as stewards for various public works such as buildings, bridges and dams, and national treasures such as the Parliamentary Precinct and other heritage assets across Canada. PWGSC also provides other federal departments and agencies with expert professional and technical real property services.

2010-2011 Spending — Accommodation and Real Property Assets Management			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	4,522.5	5,278.9	4,987.4
Less Respendable Revenue	(2,459.0)	(2,879.3)	(2,770.8)
Net Expenditures	2,063.5	2,399.6	2,216.6

Note: **Real Property:** Actual net expenditures were lower than total authorities by $159.9 million.

- Of the $145 million variance related to the Appropriation, $28 million relates to reduced funding levels as a result of revised delivery plans. The balance, including Employee Benefit Plans, is due for the most part to the uncontrollable and unpredictable nature of the real property activities such as the fluctuations in the price of commodities and consumption of utilities; volatility of the real estate market, weather conditions and revised project delivery schedules.
- Most of the remaining $14.9 million variance is related to the Professional and Technical Services Revolving Fund, due to a higher mark-up and greater than planned recoveries.

G8/G20: Actual expenditures were lower than total authorities by $23 million mainly due to changes and savings realized in event coordination and contingencies that were not utilized.

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	3,672	3,688	16

Expected Results	Performance Indicators	Targets	Performance Summary
Accommodation and Real Property Assets Management			
Federal organizations have safe, healthy and affordable facilities that support the effective delivery of their programs and services, through prudent investment and management of federal real property assets in the custody of PWGSC.	Number of critical accommodation-related health and safety incidents per year	< 5 by March 31, 2011	**Status: Met all** With our current result of 4, the trend has remained under 5 incidents per year since 2006.
	Percentage of vacant marketable crown-owned office inventory (Marketable vacancy rate)	< = 3.5% by March 31, 2011	**Status: Exceeded** Actual results is 2.5%. The decline in marketable vacancy over the 2009-2010 result of 4.7% is largely attributed to the removal of a large, vacant building that has been deemed unsuitable for occupancy and scheduled for demolition.
	Percentage of actual recapitalization relative to funded recapitalization	*90% by March 31, 2011 *Target adjusted to 80% due to Capital carry-forward authority increase to 20%. (100%-20%= 80%)	**Status: Exceeded** Actual results: 90.7% The performance achieved in 2010-2011 has improved over the previous fiscal year due to increased efforts in forecasting the capacity to deliver projects. (Results 2009-2010 were 88.8%).

Expected Results	Performance Indicators	Targets	Performance Summary
Federal organizations receive responsive and cost-effective real property services in support of the effective delivery of their programs and services.	Percentage of Real Property projects > $1 million that are on-time, on-scope, on-budget	90% by March 31, 2011	**Status: Exceeded** At 96%, we have consistently been above target throughout the year. Since 2007, we have met or exceeded our target every quarter except one. Our current result is the highest we have achieved to date.
	Percentage of Long-Term Vision and Plan projects that are on-time, on-scope, on-budget	100% by March 31, 2011	**Status: Mostly met** At 95%, PPB has achieved a high level of success in the delivery of the Long-Term Vision and Plan projects.
Accelerated Infrastructure Program			
PWGSC makes prudent investments to extend the useful life of our infrastructure by accelerating repair and renovation projects in PWGSC buildings and bridges.	Percentage of Accelerated Infrastructure Program projects completed, based on priority ranking as of September 30th, 2010.	> 95% by March 31, 2011	**Status: Exceeded** Based on the September 30th, 2010 ranking, 97.6% of AIP funds were utilized.
Federal organizations receive real property management services that support Economic Action Plan commitments.	Percentage of Economic Action Plan funds spent to deliver real property services	> 95% by March 31, 2011	**Status: Exceeded** EAP-OGD funding spent: 97.4%.

Performance Summary and Analysis of Program Activity

Major Achievements

In 2010-2011, PWGSC continued to play an important role in delivering *Canada's Economic Action Plan*. It invested close to $193 million in its buildings and bridges, as well as advanced work on the restoration of the Manège Militaire in Quebec City, and helped remediate federal contaminated sites. Over the two year-period of the *Economic Action Plan*, the department accelerated the repairs and renovations in 300 buildings, made 194 buildings more accessible to Canadians, rehabilitated 4 bridges and improved the condition of the Alaska Highway.

The department also provided over $550 million worth of real property services to other government departments and agencies and helped them advance their *Economic Action Plan* infrastructure projects ($208 million in 2009-2010 and $343 million in 2010-2011).

To enhance our business performance, the department completed a competitive Request for Proposal (RFP) for the acquisition of industry standard real estate processes supported by a fully integrated real estate solution, known as the Real Property Business and Systems Transformation (RPBST) project. This integrated solution, which will replace 22 legacy systems, will reduce operational costs, improve business reporting, and result in better decision-making. The integrated real estate solution, to be known as NOVUS, will also be made available to other departments to facilitate the modernization of their real property processes and systems. On March 22, 2011, after an extensive evaluation process, a contract was put in place to provide the services necessary to implement NOVUS. This project is now in its Definition Phase, during which PWGSC will work with the contractor to define its business transformation complexities, reduce the risks associated with implementing NOVUS and to ensure that the project is delivered on time and on budget. PWGSC will then seek Treasury Board Secretariat's approval to implement the NOVUS solution.

Construction and redevelopment contracts for buildings across the country include:

- Three build-to-lease office buildings underway in the National Capital Area (NCA), more specifically in Gatineau, which are set to allow PWGSC to meet its commitment of a 75:25 split in NCA accommodation between Ontario and Quebec by 2013. This will also decrease the demand for office space in Ottawa's downtown core, enable the department to accelerate major redevelopment and renovation projects,

consolidate employees of departments spread across several locations and accommodate as many departments as possible that need to be close to Ottawa's downtown core, while paying competitive lease rates.

- Other projects underway in the NCA, including the construction of a new building at the Ottawa Train Yards, the acquisition and redevelopment of the Carling Campus for the DND Headquarters in Ottawa, and the redevelopment of the Lorne Building on Elgin Street in Ottawa.
- Approval and construction underway of a new federal building in Quebec City, as well as the RCMP E and H Division Headquarters buildings in Surrey, British Columbia and Dartmouth, Nova Scotia respectively.

Mechanisms to improve our service delivery capacity through third party delivery arrangements were explored and investment tools were developed and continue to be refined. Vesting of these tools in the Real Property Policy Framework will be finalized in the 2011-2012 Fiscal Year.

A detailed three-year Integrated Human Resources Plan has been developed to address internal capacity, as well as to improve employee retention, encourage a learning culture and implement succession planning.

Improvements in client relationship management have been gained by employing a pro-active client engagement model, which involves regular meetings with clients to discuss strategic priorities, issues and overall program delivery. Additional initiatives, such as the development of service standards, and improved client reporting will further strengthen this function.

PWGSC has continued to implement the Long-Term Vision and Plan for the rehabilitation of the Parliament Buildings on-time and on-budget. The fit up of facilities, such as La Promenade and 1 Wellington, were completed to accommodate the relocation of Parliamentarians, staff and operational support services from the West Block. In January 2011, the West Block was vacated, permitting PWGSC to begin major rehabilitation, including the construction of a courtyard infill that will add an additional 50 per cent more space to the existing building. Construction has also begun on 180 Wellington, which will facilitate the emptying of East Block so it can be restored. Planning and design work for the permanent relocation of the West Block Confederation Room to 144 Wellington (former Bank of Montreal) was also completed. Work to stabilize the East Block, Centre Block and the Confederation Building also continued on-time and on-budget.

Within the Parliamentary Precinct, repairs completed on the North Towers of the West Block have provided valuable insight about seismic stability, masonry cleaning and water shedding. This information will be used as more extensive rehabilitation is undertaken.

Lessons Learned

Creating and maintaining a strong national team, including representatives from all branches and regions, has been key to ensuring the department succeeded in implementing its commitment under *Canada's Economic Action Plan (EAP)*. The team was able to break down the barriers between the branches, sectors and regions, create synergy and strategic alliances and by doing so, ensure a national approach to the delivery of the *EAP*. Due to its success, this approach will be used as a model to manage future national real property programs.

A business segment approach with cross-regional collaboration, gives PWGSC the opportunity to focus on specific business lines (or categories of real property assets like laboratories or secure facilities) across all departments, providing the Government of Canada with a consistent means of delivering and reporting within these different business lines. Through this approach, in 2010-2011 the department saw an opportunity to gain efficiencies in delivering laboratory projects across Canada, sharing best practices as well as resources. This enabled PWGSC to increase its efficiencies in delivering projects by employing a common design-build approach, sharing its capacity between regions, and offering the corresponding cost-savings to its clients.

Through its delivery of *Canada's Economic Action Plan*, the department was able to demonstrate the value of coordinated project planning across government at the departmental level. The further refinement of this coordinated project planning, which best occurs prior to the beginning of the next

fiscal year, will allow the department to be more strategic by ensuring it can allocate the resources required and to better plan how and when work will be undertaken. This will result in improved service delivery for the government as a whole.

Valuable experience was also gained from two other Major Crown Projects completed this year. The use of Construction Management on the Rideau Committee Rooms demonstrated the value of leveraging private sector expertise in a way that is now being applied to the West Block Rehabilitation, Wellington Building, Bank of Montreal, and East Block projects. The move of Parliamentarians from the West Block into the newly renovated La Promenade Building will similarly inform the future moves from the East and Centre Blocks.

3. Receiver General for Canada

This program activity manages the operations of the federal treasury and the preparation of the Accounts of Canada. It provides optional financial management system and document imaging and bill payment services.

2010-2011 Spending — Receiver General for Canada			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	142.3	154.4	148.3
Less Respendable Revenue	(13.1)	(28.5)	(28.5)
Net Expenditures	129.2	126.0	119.9
Note: Actual expenditures were lower than total authorities mainly due to efficiencies as a result of higher than anticipated enrolment in direct deposit and delays in staffing and system initiatives.			

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	552	410.5	(141.5)
Note: 2010-2011 RPP Receiver General's number of FTE's were erroneous (Planned number should have been 437 FTEs, not 552 FTEs as reported). This problem has been corrected in the 2011-2012 RPP. The actual difference is 26 instead of 141.5.			

Expected Results	Performance Indicators	Targets	Performance Summary
Timely issuance of all government payments, provision of deposit detail reports, and central accounting reports.	Percentage of reconciliation of deposits to the credit of the Receiver General within two business days.	95% by March 31, 2011	**Status: Exceeded** 98.8% of all deposits to the credit of the Receiver General were reconciled within 2 business days.
	Percentage of Receiver General payments issued within established timeframes.	99.99% by March 31, 2011	**Status: Mostly met** Of the 297 million payments issued in 2010-2011, incidents involving 77,000 payments were reported, for a result of 99.97%.
The integrity of the Consolidated Revenue Fund and the Accounts of Canada is preserved on behalf of Canadians.	Number of Public Accounts audit issues raised by the Office of the Auditor General relating to the Receiver General's Consolidated Revenue Fund and the Accounts of Canada functions.	0 by March 31, 2011	**Status: Met all** No issues were raised by the Office of the Auditor General with respect to the Consolidated Revenue Fund or the Accounts of Canada.

Performance Summary and Analysis of Program Activity

Major Achievements

PWGSC carried out mission critical functions by: managing the operations of the federal treasury through the issuance and settlement of more than 297 million payments and the collection of revenue for all government departments, amounting to over $2.18 trillion in cash flow; maintaining the Accounts of Canada; producing the government's Monthly Statements of Financial Operations and preparing the annual Public Accounts of Canada. In addition, we continued to provide departments with an optional financial management system, the Common

Departmental Financial System (CDFS), and an image-based bill-payment service. A partnership was formed to develop and implement three new modules in the CDFS – materiel management, asset management and salary management. Bill Payment Services managed the collection of funds on behalf of four large departments, with an estimated volume of 1.5 million transactions valued at $649 million.

PWGSC reviewed business requirements and assessed enhanced service opportunities for all major departments for a series of key banking services ranging from foreign banking, Interac Online to Electronic Data Interchange payments and the Receiver General Buy Button service. We also launched the Receiver General Receipts Redesign project which will critically assess the manner in which the Receiver General collects public money on behalf of the Government. The aim is to streamline operations and enhance efficiencies for the decade to come. As part of this project, feedback was sought from the banking industry to assess whether our approach to modernize receipt collection processes is in line with industry trends and best practices. Finally, in partnership with the Department of Finance, we finalized a Memorandum of Understanding with Canada's direct clearing financial institutions to return approximately $7 million in annual savings to the Government during a time of fiscal restraint.

PWGSC completed the first year of a three-year initiative to streamline and automate the Receiver General's redemption, settlement and reconciliation business processes and consolidate functionality into the central treasury systems. To date, we have identified, assessed and begun implementing new reconciliation processes, taking advantage of automation capabilities, where feasible.

As part of our goal to review and enhance the security architecture supporting the Receiver General systems, PWGSC completed an internal review. This study has allowed the Receiver General to identify opportunities to strengthen system security and begin the development of a long-term strategy for enhancing system controls, as appropriate.

As a result of a third party review of the Receiver General central systems' internal controls conducted in 2009-2010, PWGSC continued implementation of its action plan to address minor system and process improvements and documentation shortfalls.

Lessons Learned

In light of the complexities of implementation of our foreign banking arrangement and in an effort to better explain the process of expanding service coverage around the globe for our Canadian embassies, missions and staff, it was determined that future success criteria will require an enhanced engagement strategy, which begins earlier and continues throughout the process. Business requirements must be clearly documented and understood by all stakeholders and stronger risk mitigation strategies developed to address potential changes in the operating environment.

A number of issues arose during the implementation of a new method for the delivery of Government of Canada paper cheques which was piloted between May 2010 and February 2011, requiring adjustments to the process to ensure that delivery schedules would be met for time-sensitive payments. Any future plan with potential impact on other government departments and Canadians will include engagement and communications aspects to avoid unexpected issues and ensure a coordinated response by the Government of Canada.

4. Information Technology Infrastructure Services

This program activity provides leadership in supporting government-wide IT transformation initiatives. It works closely with client federal organizations to understand and respond to their IT requirements, while delivering secure IT services and solutions. It includes the brokering, developing and/or managing of products and services for distributed computing services, data centre services, telecommunications services and Information Technology Security Services.

2010-2011 Spending — Information Technology Infrastructure Services			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	410.5	430.9	433.5
Less Respendable Revenue	(400.4)	(393.4)	(399.8)
Net Expenditures	10.1	37.5	33.7
Note: Actual net expenditures were lower than total authorities for the appropriation portion mainly due to forecasted revenues within the branch that did not materialize as expected, creating a shortfall in the Information Technology Infrastructure Services program activity and creating a surplus in the Internal Services program activity. Actual net expenditures were lower than total authorities for the revolving fund due to the utilization of only $1.1 million of the authorized deficit of $5.7 million (unused portion of $4.6 million). The authority used was lower than the estimate due to increased business volume.			

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	1,104	1,085.5	(18.5)
Note: The difference between planned and actual FTEs is mainly due to delays in staffing.			

Expected Results	Performance Indicators	Targets	Performance Summary
Federal organizations have access to reliable and innovative services for: • managing desktop and help desks; • hosting applications, managing storage and providing Web services; • enterprise-wide telecommunications solutions. Federal organizations, Canadians, and businesses, through secure and reliable high-speed on-line services, can also efficiently access government programs, services and information.	Average percentage of service levels met in terms of operational availability for four lines of business (distributed computing services, data centre services, IT security and telecommunications).	95% by March 31, 2011	**Status: Exceeded** The average percentage of service levels met for four lines of business for 2010-2011 was 99.9%.

Performance Summary and Analysis of Program Activity

Major Achievements

The combination of reduced supplier costs, introduction of new technologies, and implementation of price reductions, has led to the increased usage of shared infrastructure services. A significant portion of this growth has been observed in the areas of Satellite Services and Teleconferencing, while we achieved significant price reductions in areas such as Government Cellular Services, Toll-Free Services, Secure Channel Network Services and the Government Managed Cabling Service.

We worked collaboratively with Citizenship and Immigration Canada and Human Resources and Skills Development Canada on the Government Enterprise Network Services (GENS), a major telecommunications transformation project. We have qualified a number of suppliers and will be completing the procurement process in 2011-2012.

A Data Centre Feasibility Study was completed in April 2011 with participation of more than 20 departments. The 17-month study, the most comprehensive analysis of data centre services conducted by the Government of Canada, recommended opportunities and approaches to consolidate data centres and to determine the optimal service delivery model for maximum efficiency.

We awarded a contract in December 2010 to acquire new data centre capacity from the private sector by 2013. This completed a year-long solicitation process collaboratively conducted with PWGSC, the Canada Revenue Agency and the Bank of Canada. The augmentation of data centre space in the National Capital Region will provide the foundation for future consolidation initiatives.

The Cyber Authentication Renewal initiative, lead by the Treasury Board Secretariat, Chief Information Officer Branch, outlines a phased approach for the replacement of the current epass service for online authentication. The first phase of this initiative, completed in 2010-2011, replaced the Public Key Infrastructure (PKI) service with a more cost efficient interim service called Access Key, based on industry recognized standards. All epass client departmental programs have successfully migrated to this new service.

The Internal Credential Management (ICM) service, an Online Registration and Credential Administration tool, providing self service to employees for the issuance and management of their identity-based credential designated as MyKey has been implemented across almost all departments and organisations. Throughout the fiscal year, we actively engaged and supported TBS-CIOB in the development of the government-wide strategy for a secure infrastructure framework. This framework will address areas such as secure information exchange, perimeter defence and cyber security.

We completed a study on the preliminary desktop strategy and pursued industry engagement with industry associations.

We have also successfully completed several pilot projects for the desktop environment of the future, including: the e-Discovery for GCDOCS 2.0 (Government of Canada's Electronic Document and Records Management Solution) with Health Canada; the Software as a Service (SAAS) for GCDOCS 2.0 in partnership with the Canada School of the Public Service, Treasury Board Secretariat, and the Department of Justice; and the Secure Platform for Application Delivery (SPAD) for the Department of National Defence. SPAD was also deployed in Public Safety Canada.

Lessons Learned

A successful government IT agenda is dependant upon close collaboration with Treasury Board Secretariat, Chief Information Officer Branch (CIOB) and other Government Departments. This collaboration across government is important to assure that IT shared services remains aligned with government priorities and objectives. Long term planning which is supported by a sound financial plan and policy is crucial to the successful implementation of IT Common Services.

With a rapidly evolving technological IT environment, it is necessary to have a strong IT investment strategy and an innovation plan, in order to capitalize on technological advances to optimize government IT.

5. Federal Pay and Pension Administration

This program activity administers the government's pay and pension processes.

2010-2011 Spending — Federal Pay and Pension Administration			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	148.2	161.5	156.7
Less Respendable Revenue	(103.8)	(109.7)	(109.7)
Net Expenditures	44.4	51.8	46.9
Note: Actual expenditures were lower than total authorities mainly due to delays in the award of a major contract in the Pay Modernization project and complexity faced during the implementation of the Government of Canada Pension Modernization project.			

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	1,009	1,309	300
Note: The difference between planned and actual FTEs is mainly due to increased capacity required for the implementation of two Major Crown Projects, Pay Modernization Project and Pension Modernization Project.			

Expected Results	Performance Indicators	Targets	Performance Summary
Reliable central systems and processes for pay and pension administration and expert support through compensation training and advice	Percentage of pay transactions processed within established timeframes.	95% by March 31, 2011	**Status: Exceeded** Pay transactions were processed within established timeframes 95.7% of the time in 2010-2011.
	Unit cost per pay account.	<=$101.59 by March 31, 2011	**Status: Exceeded** The unit cost per account for fiscal year 2010-2011 was $97.91.
	Percentage of PSSA and CFSA pension transactions processed within established timeframes.	95.5% by March 31, 2011	**Status: Mostly met** PSSA and CFSA pension transactions were processed within established timeframes 86.1% of the time in 2010-2011. The major contributing factor was operational delays due to pension transformation activities.
	Unit cost per pension account.	<=$140.51 by March 31, 2011	**Status: Exceeded** The unit cost per pension account was $123.06. Through stringent cost control and oversight, the target of $140.51 was exceeded.
Pay system reliability.	Number of system operational incidents that affect pay payments.	0 by March 31, 2011	**Status: Mostly met** There were 3 system operational incidents affecting pay payments, however these did not affect a large number of payments and were all resolved expeditiously.
Public Service Superannuation Act (PSSA) and Canadian Forces Superannuation Account (CFSA) annuitants systems reliability.	Number of system operational incidents that affect pension payments.	0 by March 31, 2011	**Status: Met all** There were no system operational incidents affecting pension payments during the 2010-2011 fiscal year.

Performance Summary and Analysis of Program Activity

Major Achievements

In 2010-2011, PWGSC implemented 105 collective agreements and updated the pay system as a result of 14 policy changes and four insurance rate changes, all within the legislated timeframes. Over the course of the fiscal year, we continued to execute key transformation initiatives to evolve and modernize our operations, while successfully ensuring reliable and stable operations.

The Pay Modernization Project completed a number of key activities as part of the project definition phase that will assist in the eventual achievement of pay system reliability. Key components of the procurement process to acquire a System Integrator and a commercial-off-the-shelf pay solution, including the Request for Proposal process and proposal evaluation were completed. In addition, stakeholder engagement with respect to business transformation was initiated. The Consolidation of Pay Services Project undertook key transformation activities in 2010-2011. Staffing processes for positions in the Centre of Expertise in Miramichi, New Brunswick were initiated, the Request for Information process for office space for the first phase of the project has been completed, and a service delivery model for the Centre of Expertise has been defined. Governing committees for both projects have been established. Government-wide planning and staffing strategies to ensure the sustainability of pay services, have been developed and implemented.

In 2010-2011, PWGSC continued the testing of the largest and most complex component of the new pension system – the new core functionality for active member (contributor) services, as part of the Pension Modernization Project. Due to delays in the delivery of a stable solution by the vendor, we deferred implementation of this component until April 2011. Consequently, the overall project completion was deferred by 12 months. Strategies are in place to reduce the delay by 8 months to fall 2012. In addition, as a result of certain activities being rescheduled and the development of alternate solutions delivering the same end results, we expect to complete implementation of the project within budget.

PWGSC was scheduled to centralize three services in 2009-2010 – Pension Benefit Entitlements, Survivor Pension Benefits and Employer Support Services – as part of the Centralization of Pension Services. As these were contingent on the delivery of the new core functionality for contributors, we deferred centralization of these services until April 2011.

Through our Data Quality Improvement Initiative, 5,177 accounts were reviewed and corrected out of the 21,107 in scope for the initiative. Our target was 4,900 thus exceeding it by 5.65%. This ongoing initiative continues to increase the integrity of pay data and ensures the accuracy of pension contributions credited to the Public Service Pension Funds.

In 2010-2011, the human resources implications of managing change continued to be the focus of our transformation activities. A number of change management activities took place within the Public Service Pension Centre in Shediac, New Brunswick. Employee focus group sessions and surveys were conducted twice a month to assess the extent to which the organization has adopted and is becoming more proficient with the new technology, and to assess the level of stress and change readiness in the organization. Health Check activities were conducted to help identify and address any gaps, and to help support the success of employees and the organization. In addition, an updated change management action plan has been developed.

The 2010-2011 Report on Plans and Priorities erroneously noted that the Compensation Web Applications would reduce the use of paper by approximately 155 metric tonnes during 2010-2011. The actual target for paper reduction was 62.5 metric tonnes, and our result was a reduction of 57.3 metric tonnes.

Lessons Learned

The Centralization of Pension Services project identified that active stakeholder engagement is essential to the overall success of the centralization of the remaining services. Comprehensive efforts to manage stakeholder engagement continued as focus groups were conducted, the vision and plan for each new service were frequently communicated, and roles and responsibilities of all parties were clearly identified.

Additionally, upfront investment with a concrete savings payback schedule, clearly defined accountabilities, robust planning with clearly established outcomes, a phased implementation approach, and realistic timelines are critical for project success.

6. Linguistic Management and Services

This program activity reflects the Translation Bureau's role as the manager of the government's terminology and linguistic authority mandated with the development, standardization and distribution of terminology. It also ensures that there is a sustainable, qualified and secure supply of linguistic resources available to support linguistic requirements of the government and to support Canada's economic and social agenda. The Translation Bureau is the sole internal linguistic services provider offering federal organizations a broad base of linguistic solutions such as translation, interpretation and terminology. This program is mandated under the *Translation Bureau Act*.

2010-2011 Spending — Linguistic Management and Services			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	294.3	295.2	289.2
Less Respendable Revenue	(221.9)	(214.1)	(214.9)
Net Expenditures	72.5	81.1	74.3

Note: Actual net expenditures were lower than total authorities by $6.8 million due mainly to the following:

1) The revolving fund only utilized $0.4 million of its authorized deficit of $3.9 million (unused portion $3.5 million). Investments were reduced or cancelled in line with revised revenue projections, to reduce total expenditures. However, revenues increased towards the end of the year resulting in a smaller deficit;
2) Contribution payments for the Language Sector Enhancement Program were not paid in full due to delays in program delivery associated with recipients readiness to receive and start their initiative, resulting in lower than planned expenditures (unused portion of $0.7 million);
3) The balance is explained by funding set aside to cover the obligation for Employee Benefit Plans (EBP).

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)	1,700	1,708	8

Expected Results	Performance Indicators	Targets	Performance Summary
Parliament and federal organizations are able to ensure equality to status for both official languages, meet their official languages obligations and function in non-official languages as required.	Percentage of sampled communications meeting quality standards	Baseline will be established by March 31, 2010	**Status: Not met** The project involving the development of a methodology for determining the quality of communications within the federal government did not come to fruition because of a change in organizational priorities. The Translation Bureau has a number of different quality assurance processes in place. However, the move to standardize to one methodology was differed due to a change in organizational priorities.
	Level of client satisfaction with translation services	85% by March 31, 2011	**Status: Exceeded** Every two years, the Translation Bureau conducts a survey to measure the degree of satisfaction of federal departments and agencies with respect to its translation services. The latest survey revealed a satisfaction rate of 87%. The next satisfaction survey for all clients will be conducted in fall 2011.
	Percentage of documents translated within the time allotted by Parliament	95% by March 31, 2011	**Status: Mostly met** In 2010-2011, the Translation Bureau met the agreed translation delivery deadlines for 93.3% of parliamentary documents.

Performance Summary and Analysis of Program Activity

Major Achievements

In 2010-2011, the Translation Bureau translated more than 1.7 million pages in all areas of federal government activity. In this way, it supported federal departments and agencies, including the Prime Minister's Office and the judiciary, in their communications with the federal public service, the Canadian public and parties abroad. The Translation Bureau also provided 24/7 translation and revision services for major projects such as the Air India Commission, the Cohen Commission, the G8 and G20 summits and the Marine Atlantic project. The Translation Bureau also provided translation and interpretation services for 2,078 parliamentary sittings and parliamentary committee meetings.

In order to provide quality services, the Translation Bureau has focused on building closer client relationships. To that end, 78 translators are working on-site with their client and 653 translators are assigned as dedicated translators for specific client departments. The Translation Bureau also continued with the implementation of an integrated client service strategy through which it negotiated agreements with over 90% of its clients and met agreed-upon deadlines more than 90% of the time.

Furthermore, the Translation Bureau carried out a variety of activities to promote its services to clients in the past year. In particular, it promoted best practices; and, developed a visibility kit for all current and future on-site translators to offer consistent and quality services to client departments. As part of its client outreach activities, the Translation Bureau regularly participated at events to promote its products and services, and to showcase best practices.

The Translation Bureau also enhanced its quality management system. A significant part of this project involved developing new quality standards, which will take effect in 2011-2012.

To improve its practices, the Translation Bureau keeps attuned to developments in language technology. For example, it continued its partnership with the National Research Council of Canada with respect to automated translation tools. It also introduced ways to optimize use of the translation memory in order to meet increased demand for service. In addition, it continued its machine translation testing.

In order to guarantee delivery of translation and interpretation services to meet the needs of Parliament and federal institutions, the Translation Bureau also continued with the implementation of the Canadian Language Sector Enhancement Program (an initiative arising from the *(Roadmap for Canada's Linguistic Duality)* 2008-2013: Acting for the Future), which has two components: University Scholarships in Translation and the Language Industry Initiative.

Further to a call for proposals launched on July 3, 2009, the Canadian Language Sector Enhancement Program is funding 16 projects supporting the training of a skilled workforce and strengthening the capacity of the language sector across Canada. Funded activities are:

- seven university scholarships in translation;
- a project involving paid translation internships in private firms;
- two industry promotion projects;
- five innovation projects; and
- one language technologies integration project.

As part of the *Roadmap for Canada's Linguistic Duality*, the Translation Bureau also continued to manage and add content to the Language Portal of Canada. In 2010-2011, over 600 new items (articles, headlines, games, etc.) were added to the Language Portal of Canada, as well as two new writing tools.

Interactive features were also added to the Portal (page sharing, e-mail notifications) to ensure wider distribution of its content. In the fall of 2010, an advertising campaign for the Language Portal focusing on the most popular medium, the Internet, was launched. In addition, a number of promotional events were held involving various target audiences in the educational field and among government employees. All this visibility contributed to a marked increase in monthly visits to the Portal (200,000 hits monthly) and TERMIUM®, the Government of Canada's terminology and linguistic data bank, which is available, free of charge, to the Canadian public via the Portal.

Lastly, on an ongoing basis, the Translation Bureau worked to standardize terminology within the federal government and demonstrate the collective wealth of Canada's terminology and linguistic knowledge. It also started to establish, throughout the federal government, a network of professionals specializing in clear and effective communication. In addition, the Translation Bureau continued to co-ordinate or participates in 37 terminology co-ordination or standardization networks or committees at the federal, national and international levels.

Lessons Learned

The Translation Bureau provides quality linguistic services to federal organizations on a cost-recovery basis. In a context of budgetary restraint, the Translation Bureau must consolidate its market share by effectively managing the translation function within the Government of Canada. To do this, the Bureau must streamline its spending while maximizing its investments in new technologies (translation memories, machine translation, wikis, etc.) and reviewing its business and service delivery models to achieve efficiencies and savings. The Translation Bureau must as well engage the language industry in an effort to distribute capacity to the private sector and strengthen the viability of language service suppliers across the country. The Translation Bureau must also develop approaches to demonstrate to its clients greater transparency when establishing service agreements and/or preparing invoices.

The Government of Canada's ability to communicate effectively across Canada and abroad is dependent on the existence of a critical mass of qualified language professionals. To strengthen the capacity of the language sector, the Translation Bureau must provide the Government of Canada with official languages support. To this end, the Translation Bureau must work with Canadian Heritage to renew the Canadian Language Sector Enhancement Program, a Translation Bureau initiative under the *Roadmap for Canada's Linguistic Duality*, which expires on March 31, 2013.

7. Specialized Programs and Services

This program activity ensures high quality, timely and accessible specialized services and programs to federal institutions in support of sound, prudent and ethical management and operations.

2010-2011 Spending — Specialized Programs and Services			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	190.5	218.0	210.1
Less Respendable Revenue	(95.7)	(102.3)	(105.9)
Net Expenditures	94.8	115.7	104.2
Note: Specialized Programs and Services includes: Consulting Information and Shared Services 647; Departmental Oversight 182 ; Corporate Services and Strategic Policy 59; Acquisitions 221; Regions 58.			

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	1,340	1,134	(206)
Note: Variances between planned and actual FTEs were influenced by a number of factors including the freeze on department's operational budgets, more efficient processes, and staffing delays as a result of the department slowing down its recruitment in anticipation of Strategic Review Implementation in order to reduce the human resources impact and build flexibility to place affected employees rapidly.			

Expected Results	Performance Indicators	Targets	Performance Summary
Federal organizations have access to quality services to improve the management, delivery and safeguarding of selected government operations and/or assets while minimizing their impact on the environment.	Percentage of clients satisfied with quality of services.	85% by March 31, 2011	**Status: Exceeded** **Results: 86.5%** Increased from last year, this result was calculated based on even distribution of overall percentage of client satisfaction for two of our sub-activity programs, namely Government Consulting services and Shared Services integration, by using client satisfaction instruments.

Expected Results	Performance Indicators	Targets	Performance Summary
Classified/protected Government of Canada information and assets are safeguarded, and controlled goods are protected while in the custody of private sector companies.	Percentage of industrial security services meeting established performance targets.	80% by March 31, 2011	**Status: Exceeded** **Results: 82%** At 82%, PWGSC exceeded the targeted level of performance on this priority. Continued streamlining and strengthening efforts resulted in improved service delivery to ISP clients requiring industrial security services.
Federal organizations receive audit services that meet their needs.	Percentage of clients indicating that audit services meet their needs (quality, timeliness and value of service).	85% by March 31, 2011	**Status: Exceeded** **Results: 88%** Continued focus on quality and adherence to generally accepted audit standards are key two elements that allowed PWGSC to surpass its targeted level of providing service that consistently meets client needs.
Federal organizations obtain the best value for seized property declared forfeited by the courts.	Percentage of seized property sales obtaining 90% of appraised asset value.	90% by March 31, 2011	**Status: Exceeded** **Results: 90.6%**
SCNet-based travel services and travel information is available to federal workers and program managers.	Percentage of time that services are available.	99% by March 31, 2011	**Status: Met all** **Results: 99%**
Canadians have access to centralized Government of Canada information and federal organizations receive advice to improve delivery of selected government communications activities.	Percentage of information services that are meeting established performance targets.	85% by March 31, 2011	**Status: Mostly met** **Results: 63%** 5 of the 8 indicators were fully achieved, which leads to an actual result of 63%. However, the 3 indicators that did not meet their target achieved over 90% of their stated objectives.

Performance Summary and Analysis of Program Activity

Major Achievements

PWGSC continued to offer government-wide, automated shared travel services to departments and agencies in order to increase transparency of government travel spending and modernize operations. In fall 2010, a new reporting module was implemented which provides additional insight for clients into their travel expenses. The level of client satisfaction and adoption of the Shared Travel Services tools have continued to increase while the Government of Canada support for the next generation travel management services remains high. After a renewed governance and extensive consultations, a Request for Proposal for the next generation travel management services was posted on MERX in spring 2011.

The Canadian General Standards Board (CGSB) has provided standardization services, through its comprehensive standards development and maintenance and conformity assessment programs which, in turn, provide direct benefits and support to the economic, regulatory, procurement, health, safety and environmental well-being of Canadians.

In 2010-2011, the CGSB continued rationalization of its Standards Collection, intended to better manage its portfolio of Standards through their life-cycle to ensure relevance to current industry practices. The rationalization of 150 standards was completed during the fiscal year. The CGSB also continued to provide product registration and audit services. An example of this is the implementation and maintenance of a qualification program for screening and security at airports.

Results obtained from clients' surveys in 2010-2011 demonstrated an overall performance rating of 94.75% for good/excellent asset management services. During the fiscal year, for 96% of all assets disposed, the Seized Property Management Directorate (SPMD) successfully obtained 90% or more of the fair market value. The department also mitigated costs for both itself and its partners by promptly disposing of assets under its management.

Lessons Learned

Client engagement and long-term planning are important when developing strategies to provide best value and quality services to departments, agencies and other stakeholders.

8. Procurement Ombudsman

This program activity, operating at an arms length from government, reviews procurement practices across federal departments and agencies, investigates complaints from potential suppliers with respect to awards of contracts for goods and services below certain thresholds, and complaints concerning the administration of contracts; and ensures the provision of an alternative dispute resolution program for contracts. This activity helps to promote fairness, openness and transparency of the procurement process.

2010-2011 Spending — Procurement Ombudsman			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	4.3	4.5	3.6
Less Respendable Revenue	-	-	-
Net Expenditures	4.3	4.5	3.6
Note: Actual expenditures were lower than total authorities mainly due to delays in staffing of management positions, including the replacement of the Ombudsman, and delays in projects and initiatives.			

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	14	22.5	8.5
Note: There was an error in the planned FTEs reported in the 2010-2011 Report on Plans and Priorities. The planned FTEs for 2010-2011 should have been displayed as 28, which compared against actuals would have yielded a difference of 5.5 FTEs, instead of 8.5 FTEs.			

Expected Results	Performance Indicators	Targets	Performance Summary
Canadians have increased confidence in federal procurement practices.	Percentage of suppliers whose confidence in federal procurement has increased.	90% by March 31, 2012	**Status: Somewhat met** The Office will be conducting a formative evaluation which will attempt to address the substance of these initial indicators and future annual reports will provide an indication of the results of these performance indicators.
	Percentages of Procurement Officials who recognize that OPO's efforts have resulted in an increase in procurement community professionalism (training, tools, knowledge of best practices).	90% by March 31, 2012	**Status: Somewhat met** The Office will be conducting a formative evaluation which will attempt to address the substance of these initial indicators and future annual reports will provide an indication of the results of these performance indicators.
	Percentage of senior officials and parliamentarians attesting to the usefulness of the Procurement Ombudsman Report to Parliament in helping them arrive at a meaningful assessment of the performance of the federal procurement process.	90% by March 31, 2012	**Status: Somewhat met** The Office will be conducting a formative evaluation which will attempt to address the substance of these initial indicators and future annual reports will provide an indication of the results of these performance indicators.

Expected Results	Performance Indicators	Targets	Performance Summary
	Percentage of suppliers attesting to the simplification of the procurement process and reduction of paper burden.	90% by March 31, 2012	**Status: Somewhat met** The Office will be conducting a formative evaluation which will attempt to address the substance of these initial indicators and future annual reports will provide an indication of the results of these performance indicators.

Performance Summary and Analysis of Program Activity

Major Achievements

The Office of the Procurement Ombudsman's 2010-2011 Annual Report will be submitted to the Minister, Public Works and Government Services Canada, by July 31st in accordance with the Procurement Ombudsman Regulations. The Report will provide Parliamentarians and Canadians with information on the mandate and objectives of the Office as well as the results of its work and other accomplishments throughout the 2010-2011 fiscal year.

It should be noted that for a period of approximately six months during 2010-2011, the Office was without a Procurement Ombudsman. The Procurement Ombudsman Regulations do not allow for the delegation of authority to launch any investigations, or release any reports, on contract award or contract administration complaints that meet the requirements of the Procurement Ombudsman Regulations. As a result, the release of one completed investigation report and the launch of two investigations were delayed until January 2011 when a new Procurement Ombudsman was appointed. The two investigations are ongoing.

Notwithstanding the above, in keeping with the Office's business model, complaints continued to be addressed in a neutral and independent manner by listening to supplier concerns, giving the department an opportunity to provide their perspective, and then facilitating dialogue between the two parties to resolve issues. This collaborative, informal process has been very well received and had positive results without investing significant time and effort that would be required of an investigation.

The Office received a number of requests for Alternative Dispute Resolution (ADR) services in 2010-2011. The majority of requests originated from suppliers, even though departments can also make a request. All parties must agree to participate.

In keeping with the Office's business model, when a request for ADR was received, the Office first attempted to resolve issues through a collaborative, informal process. If this was not successful, an ADR process was offered.

In 2010-2011, the Office launched three Procurement Practice Reviews. All of these reviews are in various stages of completion. One review of procurement practices was completed and published in 2010-2011. It was a risk-based study and, while it did not include recommendations for improvement of fairness, openness and transparency, it did identify areas of concern as well as effective practices.

In 2010-2011, the Office updated its Web presence and supplier complaint form to make both more user-friendly, and produced articles on its work for procurement magazines.

The Office developed and implemented an Outreach and Awareness Plan which was geared primarily to stakeholders with an interest in the federal procurement process. Our target audience was divided into the following groups: national procurement associations, industry associations, other ombudsmen offices and federal government departments. The Office also met with the House of Commons Standing Committee on Government Operations and Estimates during their study on the awarding of contracts for the renovation of the Parliamentary Buildings.

The Office also welcomed foreign delegations from Russia, China, Ethiopia and the European Union who wanted to learn more about oversight in government procurement and our day-to-day operations.

Lessons Learned

The Office's collegial approach to procurement disputes has been very well received, and the results are impressive. Most of the complaints brought to us have been resolved without our resorting to detailed investigations, saving time and effort on the part of both suppliers and government officials.

However, improvements are needed in some areas in order to strengthen the confidence of Canadians in public procurement. For example, in our work this year, we noted two recurring problems that have existed for a long time but now require the immediate attention of senior government officials: poor communication and insufficient training.

Communications

Increased sharing of information and keeping an open and clear dialogue between parties could avoid some of the issues brought to the attention of the Office. Whether the issue stems from a department's reluctance to reveal "too much" information in its zeal to protect the integrity of the procurement process, or something as routine as the common courtesy of returning a telephone call, promoting increased communication is a goal for the Office moving forward.

Training

While significant strides have been made in professionalizing the function through training, some of the cases of the Office has handled suggest that more is needed. Particularly in the training of existing – and up and coming – program managers who are often responsible for articulating the requirements in critical procurement documents, such as statements of work and bidder evaluation criteria.

The clarity, precision and accuracy of these documents found in the procurement process are paramount, as they influence other "downstream" procurement activities and decisions.

9. Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

2010-2011 Spending — Internal Services			
Financial Resources (in millions of dollars)	Planned Spending	Total Authorities	Actual Spending
Gross Expenditures	441.5	511.4	490.3
Less Respendable Revenue	(101.2)	(153.3)	(153.3)
Net Expenditures	340.3	358.1	337.0
Note: Actual expenditures were lower than total authorities in the various Internal Services organizations mainly due to deferral of projects and staffing, efficiencies realized and lower than planned use of consulting services.			

Totals may not add up due to rounding

2010-2011 Human Resources	Planned	Actual	Difference
Full-Time Equivalents (FTEs)*	3,032	3,095	63
Note: The variance between planned and actual FTEs was influenced by the efforts to revitalize branches to meet new legislative and policy requirements.			

Performance Summary and Analysis of Program Activity

Major Achievements

PWGSC has continued to advance its **Human Resources** (HR) agenda through the implementation of the departmental Integrated Human Resources Management Plan, Renewal Action Plan, and a number of supporting plans, such as employment equity and official languages. We have made significant progress in the areas of recruitment and employee development, as demonstrated by our increased departmental population and the number of employees who receive training. PWGSC was also successful in eliminating employment gaps related to all four employment Equity groups: women, aboriginals, persons with disabilities, and visible minorities. Succession planning initiatives continue

to be implemented across the department to ensure HR capacity is maintained and to facilitate knowledge transfer.

The **Human Resources Branch** is actively involved in the departmental Client Service Strategy, which aims to better engage clients and improve service delivery. Departmental service standards are also in place for key HR services and are monitored regularly to assess performance.

PWGSC's **Departmental Oversight Branch** supports PWGSC in its sound stewardship of public funds. Expert functional advice and guidance and departmental support in the areas quality management, risk management, conflict management, fairness monitoring, audit and evaluation, disclosure and special investigation ensure the Department acts with integrity, accountability and transparency in its business of complex, multi-billion dollar transactions.

Quality Management and Risk Management are complimentary programs that ensure the Department "gets it right the first time" and identifies uncertainties that could have positive or negative impacts on business. This year, the Department refreshed its Corporate Risk Profile. The senior executive reviewed and approved key risks in the following areas: implementation of the Strategic Review results; ongoing compliance in changing legislative framework; financial sustainability in an era of fiscal restraint; service delivery against prescribed measurable service standards; and delivery of high level projects and initiatives.

The Conflict Management and Fairness Monitoring programs ensure integrity, accountability and transparency in PWGSC's transactions. Conflict in the form of a business dispute is managed as early as possible between the Department and third parties in an effort to assist parties to resolve the dispute. External fairness monitors are employed to assure departmental activities are conducted in fair, open and transparent manner.

The Internal Audit and Evaluation program provides independent assurance through risk-based audits and strategic evaluations. The Program's commitment to delivering quality internal audits and evaluations and efforts to build a best-in-class organization has earned PWGSC a strong rating for two consecutive years in the Treasury Board Secretariat's annual Management Accountability Framework assessment. In addition this year the Program completed a review and update of quality control and quality assurance processes, including policies, procedures and audit tools. Over the past year, the Audit and Evaluation Committee has evolved into an active challenge role. In its new capacity, the Committee has supported the Department in improving its performance indicators and achieving its management action plan outcomes.

The Office of the Senior Disclosure Officer and the Special Investigations program serve to protect the Department's integrity and maintain the government's and public's confidence by leading complex investigations in potential cases of wrongdoing in the workplace. This year these areas co-championed the development and approval-in-principle of the Investigation Management Framework.

Furthermore, DOB worked collegially with the Offices of the Auditor General and the Procurement Ombudsman – oversight authorities external to PWGSC. In managing this relationship, the Department responded efficiency and effectively to disputes, which could have potentially had a negative impact on the Department and the Government.

During this time of fiscal restraint, PWGSC enhanced Financial Management on many fronts which allowed the department to achieve robust financial results. The following actions have strengthened PWGSC's contribution to the achievement of the Government's agenda, resulting in increased fiscal prudence in a post-economic stimulus environment:

- PWGSC's **Finance Branch** has led the identification of departmental savings with support from Branches and provided critical support to departmental management. More specifically, PWGSC has implemented for the first time a Three-Year Strategic Financial Plan that ensures allocation decisions are better informed and clearly aligned to department's operational priorities.
- Over the last few years, PWGSC has been strengthening the Financial Management Policy Framework and has made solid progress in implementing a system of internal controls over financial reporting (ICFR), financial management

governance and its financial management system. As a result, the department has made progress in modernizing the CFO role and strengthened support to the Deputy Minister as Accounting Officer.

In 2010-2011, we implemented the core component of an integrated action plan for our Client Service Strategy. Among these, the department:

- completed 4 DM-level Departmental Service Agreements with client departments;
- published the first annual consolidated guide to main services and associated standards;
- launched several innovative services and introduced new departmental branding;
- increased integration between business lines for client engagement;
- piloted a Client Barometer to be used to measure and monitor client satisfaction; and
- initiated work on the development of a client service competency and piloted a client service courses.

PWGSC improved its stewardship of Information Technology through the implementation of a departmental-wide IT Portfolio Management approach, and the use of a common value assessment methodology to determine priorities for investment. PWGSC has developed a plan to address aging IT systems following an assessment of all assets based on a combination of business value and technical integrity. PWGSC continues to take a long term view to its IT strategic planning, incorporating an evolving business service delivery model, and advances in technology.

PWGSC's **Corporate Services and Strategic Policy Branch** worked closely with other government departments on Theme IV of the Federal Sustainable Development Strategy and also developed and implemented a Federal Electronic Waste Strategy to support the government's environmental agenda. The department supported bilateral meetings with the U.S. General Service Administration (GSA), the annual general meeting of federal-provincial-territorial Deputy Heads, and two Deputy Minister level Federal Provincial and Territorial (FPT) teleconferences.

PWGSC achieved excellent Management Accountability Framework Round VIII results (all Strong and Acceptable) and maintained a 95% compliance rate on meeting the legislative deadline to respond to ATIP requests for the third year in a row. The department also opened 3 Minister Regional Offices: Charlottetown, Kitchener, and a temporary office in Iqaluit.

Lessons Learned

Given the aging workforce and the current context of fiscal restraint, effective workforce planning will be increasingly important for PWGSC to build and maintain the capacity required to meet future needs.

The successful delivery of PWGSC's portion of the Economic Action Plan (EAP) made use of an innovative audit approach, in which "real-time" feedback was provided on all of the key areas of the administration of the EAP/AIP over the course of the audit. Specifically, we modified our process for conducting internal audits by focusing on the timely communication of findings as they were identified. We communicated these findings in regular meetings with Departmental program managers, enabling immediate course correction to the administration of the EAP/AIP when it was required. As part of this, we expedited our reporting process by communicating key findings and recommendations to the senior level EAP/AIP steering committees, as well as the Departmental Audit and Evaluation Committee throughout the duration of the program. This approach differs from our regular process of communicating findings and recommendations at the conclusion of a project through a formal report.

This approach enabled the provision of ongoing assurance and timely information for decision-making, and was noted in the Auditor General's Fall 2010 Report. The Office of Audit and Evaluation learned important lessons from this "real-time" auditing approach, and will ensure that it is utilized for any similar initiatives implemented in the future.

Financial Highlights

The tables below present a condensed and consolidated view of PWGSC's Net cost of operations and financial position. These unaudited statements were prepared in accordance with Treasury Board Accounting Standards, which are based on Canadian Generally Accepted Accounting Principles for the public sector.

It should be noted that the *2010-2011 Departmental Performance Report* contains financial information based on approved authorities from the *Estimates* and results from the *Public Accounts of Canada*.

Financial reporting of authorities provided to PWGSC do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized and results presented in the Consolidated Departmental Financial Statements may differ from those presented in the Departmental Performance Report. Those results are reconciled in Note 3 of the Consolidated Departmental Financial Statements, which may be found on PWGSC's web site at: http://www.tpsgc-pwgsc.gc.ca/rapports-reports/rmr-dpr/index-eng.html.

Condensed Consolidated Statement of Financial Position (Unaudited)
At March 31, 2011

(in millions of dollars)	% Change	2010-2011	2009-2010 (restated)
Assets			
Financial Assets	1.7%	985.5	968.9
Non-Financial Assets	10.1%	5,276.9	4,792.8
TOTAL		**6,262.4**	**5,761.7**
Liabilities			
Accounts Payable and Accrued Liabilities	11.9%	859.6	768.0
Lease Obligations for Tangible Capital Assets	(4.8%)	2,279.1	2,394.6
Other Liabilities	(3.7%)	741.4	770.0
Equity of Canada	30.2%	2,382.3	1,829.1
TOTAL		**6,262.4**	**5,761.7**

Condensed Consolidated Statement of Operations (Unaudited)
For the year ended March 31, 2011

(in millions of dollars)	% Change	2010-2011	2009-2010 (restated)
Expenses			
Salaries and Employee Benefits	7.5%	1,309.0	1,217.7
Repairs and Maintenance	1.0%	1,012.7	1,002.8
Professional and Special Services	9.9%	974.5	886.3
Rentals	5.0%	922.6	879.0
Other Expenses	(4.2%)	1,481.6	1,546.2
Total Expenses	**3.0%**	**5,700.4**	**5,532.0**
Revenues			
Total Revenues	**5.3%**	**3,199.8**	**3,038.8**
NET COST OF OPERATIONS	**0.3%**	**2,500.6**	**2,493.2**

List of Supplementary Information Tables

The following tables are located on the Treasury Board Secretariat web site, at http://www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp.

- Sources of Respendable and Non-Respendable Revenue
- User Fees Reporting
- Status Report on Projects operating with specific Treasury Board Approval
- Status Report on Major Crown/Transformational Projects
- Details on Transfer Payments Programs
- Horizontal Initiatives
- Green Procurement
- Response to Parliamentary Committees and External Audits
- Internal Audits and Evaluations

Organizational Contact Information

General Inquiries

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